



General Assembly

January Session, 2009

**Bill No. 6716**

LCO No. 5814

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Referred to Committee on No Committee

Introduced by:

REP. DONOVAN, 84<sup>th</sup> Dist.

SEN. WILLIAMS, 29<sup>th</sup> Dist.

***AN ACT CONCERNING CLEAN WATER PROJECTS, THE STATE  
FISCAL STABILIZATION FUND AND THE AMERICAN RECOVERY  
AND REINVESTMENT ACT OF 2009.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) At least fourteen days prior  
2       to the submission by the Governor of an application prepared  
3       pursuant to the American Recovery and Reinvestment Act of 2009, P.  
4       L. 111-5, Section 14005, to the United States Secretary of Education for  
5       a State Fiscal Stabilization Fund allocation, the Governor shall submit  
6       such application to the joint standing committees of the General  
7       Assembly having cognizance of matters relating to appropriations,  
8       education and higher education. Not later than seven days after receipt  
9       of the application, said committees shall hold a public hearing on such  
10      application. At such public hearing, the Governor or a designee shall  
11      present testimony concerning the details of such application.

12      Sec. 2. Subsection (g) of section 22a-477 of the general statutes is  
13      repealed and the following is substituted in lieu thereof (*Effective from*

14 *passage*):

15 (g) Amounts in the water pollution control federal revolving loan  
16 account of the Clean Water Fund shall be available to the  
17 commissioner to provide financial assistance (1) to any municipality  
18 for construction of eligible water quality projects, and (2) for any other  
19 purpose authorized by Title VI of the federal Water Pollution Control  
20 Act. In providing such financial assistance to municipalities, amounts  
21 in such account may be used only: (A) By the commissioner to make  
22 loans to municipalities at an interest rate of two per cent per annum,  
23 provided such loans shall not exceed a term of twenty years and shall  
24 have principal and interest payments commencing not later than one  
25 year after scheduled completion of the project, and provided the loan  
26 recipient will establish a dedicated source of revenue for repayment of  
27 the loan; (B) by the commissioner to guarantee, or purchase insurance  
28 for, local obligations, where such action would improve credit market  
29 access or reduce interest rates; (C) as a source of revenue or security for  
30 the payment of principal and interest on revenue or general obligation  
31 bonds issued by the state if the proceeds of the sale of such bonds have  
32 been deposited in such account; (D) to be invested by the Treasurer of  
33 the state and earn interest on moneys in such account; (E) by the  
34 commissioner to pay for the reasonable costs of administering such  
35 account and conducting activities under Title VI of the federal Water  
36 Pollution Control Act; and (F) by the Treasurer to be transferred to the  
37 water pollution control state account for the purpose of meeting  
38 federal requirements for subsidization.

39 Sec. 3. Subsection (s) of section 22a-477 of the general statutes is  
40 repealed and the following is substituted in lieu thereof (*Effective from*  
41 *passage*):

42 (s) Amounts in the drinking water federal revolving loan account of  
43 the Clean Water Fund shall be available to the commissioner to  
44 provide financial assistance (1) to any recipient for construction of  
45 eligible drinking water projects and approved by the Department of

46 Public Health, and (2) for any other purpose authorized by the federal  
47 Safe Drinking Water Act or other related federal acts. In providing  
48 such financial assistance to recipients, amounts in such account may be  
49 used only: (A) By the commissioner to make loans to recipients at an  
50 interest rate not exceeding one-half the rate of the average net interest  
51 cost as determined by the last previous similar bond issue by the state  
52 of Connecticut as determined by the State Bond Commission in  
53 accordance with subsection (t) of section 3-20, provided such loans  
54 shall not exceed a term of twenty years, or such longer period as may  
55 be permitted by applicable federal law, and shall have principal and  
56 interest payments commencing not later than one year after scheduled  
57 completion of the project, and provided the loan recipient shall  
58 establish a dedicated source of revenue for repayment of the loan,  
59 except to the extent that the priority list of eligible drinking water  
60 projects allows for the making of project loans to disadvantaged  
61 communities upon different terms, including reduced interest rates or  
62 an extended term, if permitted by federal law; (B) by the commissioner  
63 to guarantee, or purchase insurance for, local obligations, where such  
64 action would improve credit market access or reduce interest rates; (C)  
65 as a source of revenue or security for the payment of principal and  
66 interest on revenue or general obligation bonds issued by the state if  
67 the proceeds of the sale of such bonds have been deposited in such  
68 account; (D) to be invested by the State Treasurer and earn interest on  
69 moneys in such account; (E) by the Commissioner of Environmental  
70 Protection and the Department of Public Health to pay for the  
71 reasonable costs of administering such account and conducting  
72 activities under the federal Safe Drinking Water Act or other related  
73 federal acts; and (F) by the Commissioner of Environmental Protection  
74 and the Commissioner of Public Health to provide additional forms of  
75 subsidization, including grants, principal forgiveness or negative  
76 interest loans or any combination thereof, if permitted by federal law  
77 and made pursuant to a project funding agreement in accordance with  
78 subsection (k) of section 22a-478.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	22a-477(g)
Sec. 3	<i>from passage</i>	22a-477(s)